

Hertz leans on Polestar to speed up EV adoption

Article

The news: Hertz announced a partnership with Swedish EV manufacturer **Polestar** for 65,000 EVs over five years, with the first units arriving in spring of 2022, [per](#) MarketWatch.

Why it's worth watching: Hertz announced a monumental shift to EVs in November and [tapped](#) **Tesla** to provide 100,000 **Model 3s** to transition its global fleet.

- The Tesla deal, which represented a **\$4.2 billion** revenue for the EV maker, hit [a speed bump](#) when Elon Musk tweeted that the deal was not finalized.

- Tesla officials were reportedly surprised by how [quickly](#) Hertz expected EV orders to be fulfilled and estimated delivering **10,000 units a year** to Hertz.
- Tesla reported an all-time delivery [record](#) of **310,000** EVs for Q1 2022, despite [multiple safety recalls](#).
- Availability of Polestar rental cars starts in Spring 2022 in **Europe** and late 2022 in **North America** and **Australia**.
- "By working with EV industry leaders like Polestar, we can help accelerate the adoption of electrification while providing renters, corporate customers, and ride-share partners a premium EV product, exceptional experience, and lower carbon footprint," said **Stephen Scherr**, Hertz CEO.

What the deal means for Hertz: The [leading](#) vehicle rental company can diversify its EV fleet with **Polestar 2** vehicles, reducing reliance on Tesla and leaving the door open for other manufacturers to seek partnerships with the rental company.

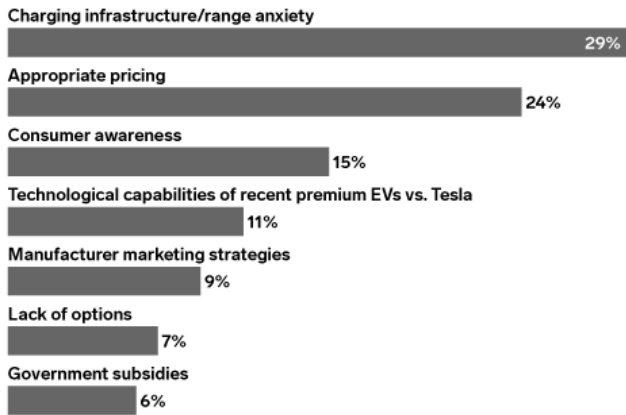
The ride-share aspect of Hertz's service, in which it [leases vehicles to Uber and Lyft drivers](#), could speed up EV adoption by easing drivers' concerns about rising [gas prices](#) as well as the initial expense of investing in EVs.

What the deal means for Polestar: The agreement is a substantial win and vote of confidence for Polestar's vehicles. Polestar expects production volumes to reach **290,000 vehicles per year** by the end of 2025.

The opportunity: Hertz leaning on Polestar, and possibly other EV makers, to complete its electrified fleet can improve EV adoption in the mainstream market. Hertz provides customers with vehicles from **Chevrolet, Toyota, Nissan, Chrysler, Ford, and Jeep** in its rental fleets and could secure deals with those carmakers as soon as EV options are made widely available.

Key Reasons for the Low Uptake of Electric Vehicles (EVs) in the US According to US Auto Dealers, April 2021

% of respondents



Source: J.P. Morgan, "Auto Annual Dealership Survey," April 6, 2021

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